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SUBJECT: SEOUL - PRESS BULLETIN; August 25, 2009

TOP HEADLINES

Chosun Ilbo

Senior Official at Green Cross, a Local Drug Maker: "Global War Underway to Secure More Antiviral Drugs, with New Flu Pandemic Expected This Winter"

JoongAng Ilbo, All TVs

Bosworth, Sung Kim to Visit Pyongyang Next Month for First Bilateral Nuclear Negotiations

Dong-a Ilbo, Segye Ilbo, Seoul Shinmun

ROK Stockpiles Tamiflu for 5 Million People

Hankook Ilbo

President Lee Myung-bak Considering Forming "Young Cabinet"

Hankyoreh Shinmun

Democratic, Reform-minded Forces Agonizing over How to Rally Supporters in Aftermath of Deaths of Former Presidents Kim Dae-jung and Roh Moo-hyun

DOMESTIC DEVELOPMENTS

The Blue House yesterday denied that North Korea's delegation to late former President Kim Dae-jung's state funeral had proposed an inter-Korean summit between President Lee Myung-bak and North Korean leader Kim Jong-il. The presidential office was quoted: "During the meeting between President Lee and the North Korean delegation, they had general discussions on how to improve inter-Korean relations but did not mention anything at all regarding an inter-Korean summit."
(All)

Philip Goldberg, visiting U.S. Coordinator for the Implementation of UN Security Council Resolution 1874, met yesterday with ROKG officials, including Chief ROK Delegate to the Six-Party Talks Wi Sung-lac. He told reporters after the meetings that inter-Korean tourism projects and the joint Kaesong Industrial Complex are "issues outside of the resolution." (All) He also stressed that international efforts to enforce sanctions against North Korea will continue. (Chosun, Hankyoreh, Segye)

INTERNATIONAL NEWS

According to a senior diplomatic source in Washington, Stephen Bosworth, the U.S. Special Representative for North Korea Policy, will travel to Pyongyang next month at North Korea's invitation for the first bilateral nuclear negotiations between the two countries. Bosworth will be accompanied by Sung Kim, Special Envoy for the Six-Party Talks. (JoongAng, all TVs)

MEDIA ANALYSIS

- Special Envoy Goldberg in ROK

All ROK media gave wide attention to press remarks in Seoul yesterday by Philip Goldberg, U.S. Coordinator for the Implementation of UN Security Council Resolution 1874, in which he said that inter-Korean tourism projects and the joint Kaesong Industrial Complex are (issues outside of the resolution), while noting that international efforts to enforce sanctions against North Korea will continue.

In a related development, right-of-center JoongAng Ilbo quoted an ROKG official as warning against reading too much into his remarks,

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saying: "It seems that he just meant to say that such projects pose no problem in legal terms, not to encourage or support resumption of tours to Mt. Kumgang."

Newspapers carried the following headlines: "ROKG Faced with Dilemma of Improving Ties with N. Korea Amid Continued Sanctions" (conservative Chosun Ilbo); "U.S. Reflects ROK's Position...Some Obstacles Removed for Tours to Mt. Kumgang" (right-of-center JoongAng Ilbo); and "U.S. Attaches the Caveat, 'At the Moment' ... It Will Likely Watch North Korea's Attitude" (conservative Dong-a Ilbo)

- N. Korea

Citing a senior diplomatic source in Washington, right-of-center JoongAng Ilbo and all TV networks reported that Stephen Bosworth, the U.S. Special Representative for North Korea Policy, will travel to Pyongyang next month at North Korea's invitation and that he will be accompanied by Sung Kim, Special Envoy for the Six-Party Talks.

JoongAng Ilbo, in particular, noted that this visit will mark the first bilateral nuclear negotiations between the two countries, and further quoted the source as saying: "The U.S. principle of having a bilateral negotiation with the North within the framework of the Six-Party Talks remains unchanged, but the Obama Administration will convey its willingness to offer a comprehensive package in return for the North's denuclearization during the delegation's trip to Pyongyang."

JoongAng went on to cite the source as stating that, noting North Korea's recent series of conciliatory gestures, the USG sees it as highly likely that the delegation will meet with North Korean leader Kim Jong-il during their trip.

Regarding controversy over North Korea's alleged proposal for a third inter-Korean summit, moderate Hankook Ilbo editorialized: "Even though North Korea is taking a series of conciliatory gestures, it is not time to mention an inter-Korean summit. ... In the first place, we must endeavor to strengthen inter-Korean trust and cooperation without disrupting international efforts to denuclearize North Korea. If an inter-Korean summit takes place in this mature atmosphere, it will not only help North Korea make a decision to give up its nuclear ambitions but also help the ROK play a leading role in the denuclearization process."

Shifting Ties with N. Korea Will Be a Long Game
(Chosun Ilbo, August 25, 2009, page 39)

Blue House spokesman Lee Dong-kwan on Monday said the government believes that the old ways in inter-Korean summits or dialogue "are no longer permissible" and called for a change in inter-Korean relations which the media are describing as a "paradigm shift." "Inter-Korean relations must not be viewed as a special relationship and remain trapped in that framework, but must be subject to international principles in order to progress," he said.

The government said the new principle was applied in practice for the first time when President Lee Myung-bak met a delegation of North Korean officials who were in Seoul for the funeral of former President Kim Dae-jung. Previous administrations allowed visiting North Korean officials to meet government officials at their convenience. But this time, Lee included the meeting in a string of similar encounters with officials from other countries who had come to pay their respects to Kim. And instead of timing it by the schedule of the North Koreans, they had to wait their turn, with the result that they extended their stay by an extra day to meet the president. The government reportedly told the delegation that fundamental progress in inter-Korean relations is possible only when the nuclear problem is resolved. With that, the Lee Administration

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has placed an issue at the top of its agenda for talks with North Korea that previous governments were afraid to address in case it might anger the regime.

The government did the right thing in deciding to pursue dialogue but make it clear that the rules have changed. The reason past inter-Korean talks generated so much debate and conflict in the ROK lies not only in what was discussed but in the way the talks took place. Previous administrations approached inter-Korean talks as their crowning achievement, which only encouraged North Korea's impudence, acting as though the ROK should be thanking the North for accepting aid. This has angered many South Koreans. Under the two administrations of the last decade, the ROK gave US\$ 6.9 billion worth of assistance to the North, but instead of a "thank you," North Korea conducted two nuclear tests and test-launched a battery of missiles. This is why the ROK has been accused of inadvertently aiding the North's arms development by providing lavish cash support for the regime and allowing it to gain valuable time.

The Kim Dae-jung and Roh Moo-hyun Governments handled inter-Korean ties on the basis of a "special relationship," with some officials even talking about an "internal approach" whereby North Korea's antics must be seen from the perspective of its own government. But by treating inter-Korean relations as a special matter among "one nation," the ROK ended up rationalizing Pyongyang's grandstanding, and the internal approach meant turning a blind eye to its vile human rights abuses.

The government has called for a "paradigm shift" in inter-Korean relations because it wants to emancipate itself from that relationship and apply proper international principles to cross-border ties. But chances that North Korea will simply accept this are slim. The two Koreas may well end up in a prolonged tug-of-war, and inter-Korean dialogue could fall apart again before any fundamental changes can be achieved.

The government will need patience and wisdom as well as flexibility as it pursues its broad objectives in relations with North Korea.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

U.S. Envoy Plans Nuclear Talks with North in Sept.
(JoongAng Daily, August 25, 2009)

By Reporters Kim Jung-wook and Ser Myo-ja

The top U.S. official in charge of North Korea policy will travel to Pyongyang next month for the first bilateral nuclear negotiations between the two countries, a senior diplomatic source in Washington has told the JoongAng Ilbo.

Stephen Bosworth, the U.S. Special Representative for North Korea Policy, will head to Pyongyang at the North's invitation, the source told the newspaper on Sunday, Washington time. Bosworth will be accompanied by Sung Kim, Washington's point man for the Six-Party nuclear talks, he added.

The U.S. delegation will likely visit the ROK, China and Japan in early September and then head to the North, according to the source.

The trip was to be announced officially in early September, immediately before their departure to Pyongyang, the diplomat added.

Noting North Korea's series of recent positive gestures, the Obama Administration sees a high possibility that the delegation will meet with the North's reclusive leader Kim Jong-il during their trip, the source said.

Bosworth, who served as U.S. Ambassador to the ROK from 1997 to 2001, was named by Secretary of State Hillary Clinton as the administration's special envoy for the North last February.

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Following efforts to persuade the North to give up its nuclear arms program in 1994, Bosworth served as the Executive Director of the Korean Peninsula Energy Development Organization to implement the 1994 Geneva Agreed Framework between Washington and Pyongyang aimed at freezing the North's nuclear activity.

"Since his appointment in February, Bosworth has openly and repeatedly said he would like to visit North Korea, but Pyongyang snubbed the offer by conducting missile and nuclear tests," the source said. "The North, however, recently expressed its intention to invite Bosworth."

According to the source, Washington has decided to send Bosworth to Pyongyang as key obstacles in U.S.-North relations have been removed. Two jailed American reporters were released earlier this month and former U.S. President Bill Clinton confirmed the stability of the Kim Jong-il regime, the source said.

The diplomat said Washington has begun discussions with its partners.

"It's likely that Bosworth will travel to Asia to explain the situation to Seoul, Beijing and Tokyo in early September and then go to Pyongyang," he said. "A comprehensive package will be offered in return for the North's denuclearization during his trip to Pyongyang. The U.S. principle of having a bilateral negotiation with the North within the framework of the Six-Party Talks will remain unchanged."

Another diplomatic source also said the Obama Administration will never abandon the Six-Party Talks because it sees the root of Pyongyang's recent peacemaking gestures in the international community's participation in the UN sanctions against the North.

"Even if negotiations move forward, the UN sanctions will not be lifted easily," the source said. "Instead, the Obama Administration will likely provide a de facto assurance for the North Korean regime's security by promising that it will not intervene in the succession of the Kim Jong-il regime to his son while pressuring Kim to give up nuclear programs."

The outcome of Bosworth's planned trip, however, remains to be seen. A key official who had handled Korea policy in the Bush Administration says that North Korea will never give up nuclear arms programs.

The ROK's nuclear envoy Wi Sung-lac has already met with his U.S. counterpart Sung Kim and Bosworth in Hawaii earlier this month and discussed North Korea issues. The discussions were called brainstorming sessions aimed at finding ways forward, Seoul's Foreign Ministry said at the time.

Bosworth again arrived in Seoul Saturday as part of a 10-member U.S. condolence delegation to attend ex-President Kim Dae-jung's funeral on Sunday. Pyongyang also sent a condolence delegation to Seoul. Bosworth met with Wi and other Korean officials over the weekend.

It appears that the Obama Administration has chosen the strategy of carrot and stick to deal with the nuclear-armed North. A team of U.S. officials handling North Korea issues also arrived in Seoul Sunday for talks with officials here. Unlike Bosworth, they were to seek Seoul's support to enforce UN sanctions against the North.

Philip Goldberg, the U.S. diplomat tasked with enforcing UN Resolution 1874 which was adopted to counter Pyongyang's May 25 nuclear test, met with Wi yesterday. Goldberg led an inter-agency team composed of officials from the Treasury Department, the Defense Department, and the National Security Council at the White House.

According to wire reports, Wi said the objective "is a complete, verifiable denuclearization of North Korea," and Goldberg replied, "Absolutely, that is certainly our goal."

Following his meeting with Wi, Goldberg addressed the press,

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reconfirming Washington's stance on financial sanctions against North Korea. "Our goal is to return to the process of denuclearization, to talks aimed at the goals that are laid out in the UN resolution," Goldberg said, stressing efforts to implement the resolution.

While noting that inter-Korean tourism is not in the resolution, Goldberg said the international community's efforts to enforce sanctions on Pyongyang will continue.

The ROK's Hyundai Group agreed with the North last week to resume stalled tour programs to Mt. Kumgang and Kaesong - projects largely seen as a cash cow for Pyongyang.

"My assessment is that, at the moment, these are issues outside of that resolution and there are economic and humanitarian developments that are taken into account in the resolution as well," Goldberg told reporters. He also added that the Kaesong Industrial Complex is outside the resolution.

FEATURES

ROKG Faced with Dilemma of Improving Ties with N. Korea Amid Continued Sanctions
(Chosun Ilbo, August 25, 2009, page 3)

By Reporter Lim Min-hyuk

The U.S. official tasked with ensuring compliance with UN sanctions against North Korea met with senior ROK officials in Seoul on Monday. Philip Goldberg arrived a day after a North Korean delegation met with President Lee Myung-bak in an apparent attempt to improve relations as the sanctions begin to bite.

Goldberg reviewed Seoul's compliance with UN Security Council Resolution 1874, which was adopted after the North's nuclear test in May, with the ROK's top nuclear negotiator Wi Sung-lac and Deputy Foreign Minister Oh Joon. He also met relevant officials at the Ministries of Strategy and Finance and of Defense and the Bank of Korea.

"Right now, we are concentrating on the implementation, and full implementation, of the resolution," Goldberg told reporters Monday. He said recent conciliatory signals from North Korea would be welcome if they lead to denuclearization but added sanctions

including financial penalties for North Korean businesses and individuals involved in nuclear development will remain in place.

A government official here said the U.S. "views the North's appeasement as designed to crack the firm cooperation system of the international community, which is why it's putting even more stress on cooperation from Seoul."

Goldberg expressed support for cross-border business projects like package tours to Mt. Kumgang, whose resumption was the fruit of a meeting between Hyundai Group chairwoman Hyun Jeong-eun and North Korean leader Kim Jong-il. "My assessment is that at the moment these are issues outside of that resolution," he said. "And there are economic and humanitarian developments that are taken into account in the resolution as well."

However, as Goldberg made a remark with the caveat, "at the moment," observers say that this assessment may not be genuine. The U.S. has frequently complained that the package tours are a major source of hard currency for the North and alleges that the money has been used in nuclear and missile development. In the past, Christopher Hill expressed a complaint that the inter-Korean tourism project seems to be designed to give money to the North Korean regime. An ROKG official said that the tourism project may not run counter to resolutions in legal terms but the U.S. may come up with a different assessment (of the project) when it is politically interpreted.

But at this point, hopes to improve inter-Korean relations, which

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are essentially a question of giving Pyongyang financial aid, and international cooperation run in exactly opposite directions. "We must avoid any moves in inter-Korean relations that go against international joint efforts for denuclearization," warned Yun Duk-min, a professor at the Institute of Foreign Affairs and National Security. "The government needs to stick to the principles it has maintained if it isn't to be dragged around by the North's tactics."

Kim Sung-han, a professor at Korea University, urged the government to start with humanitarian projects like reunions of families separated by the Korean War, but go slowly on economic assistance. He added that the ROK should prioritize issues and take a realistic approach. He noted that things could turn for the worse if the ROK attempts to resolve all pending issues at one time.

(We have compared the English version on the website with the Korean version and added some sentences to make them identical.)

U.S. Reflects ROK's Position...Some Obstacles Removed for Tours to Mt. Kumgang
(JoongAng Ilbo, August 25, 2009, Page 4)

By Reporter Ye Young-joon

Philip Goldberg, U.S. Coordinator for the Implementation of UN Security Council Resolution 1874, said on August 24 that the Mt. Kumgang tourism and the Kaesong Industrial Complex business are "issues outside of the (UN) resolution."

This statement was made at a sensitive moment. It came a week after Hyundai Group Chairwoman Hyun Jeong-eun and North Korea's Asia-Pacific Peace Committee reached an agreement on the resumption of inter-Korean tourism projects and the revitalization of the Kaesong Industrial Complex. Furthermore, the person who made such a remark was none other than the U.S. Envoy for North Korea sanctions who leads efforts to tighten the financial noose around North Korea through sanctions. This is a sharp departure from the existing stance of the USG, which has directly and indirectly expressed concerns about the possibility that profits from the Mt. Kumgang tourism and the Kaesong Industrial Complex business may be diverted to North Korea's development of weapons of mass destruction.

Goldberg's statement reaffirms that UNSC Resolution 1874 makes an exception for projects for humanitarian and developmental purposes.

This also reflects the position of the ROKG, which was mindful of business on the Kaesong Industrial Complex even from the process of drafting Resolution 1874.

In this regard, ROKG officials warned against reading too much into Goldberg's remark. One official noted, "It seems that he just meant to say that such projects pose no problem in legal terms, not to encourage or support resumption of tours to Mt. Kumgang." That is, in order to resume tours to Mt. Kumgang, a political will is more important than a legally authoritative interpretation. Thus far, there has been no change in objective circumstances surrounding the resumption of the tourism project. The Ministry of Unification in charge of the project drew a line, saying, "(The resumption of the Mt. Kumgang tourism) is a matter to be discussed between the two government authorities." Another official stressed, "Before resuming the project, the two Koreas should agree to investigate the shooting death of an ROK tourist, Park Wang-ja, at the Mt. Kumgang resort and work out measures to prevent the recurrence of similar incidents and guarantee the safety of tourists. At the Kaesong Industrial Complex, too, stricter safety guarantees should be put into place."

Goldberg's statement, however, carries much significance from the viewpoint of possible improvement in inter-Korean ties. Given an ROKG official's statement that "tourism at Mt. Kumgang and Kaesong is a project that the U.S. can make an issue of even without specific rules," Goldberg's remark is tantamount to removing one of the several stumbling blocks to the resumption of the tourism. This

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also reflects the ROKG's position well. The ROKG has adhered to the position that issues related to tourism and the development of industrial infrastructure (in the North) are not directly subject to UNSC Resolution 1874. During an August 24 meeting with Goldberg, Chief ROK Delegate to the Six-Party Talks Wi Sung-lac and Deputy Minister for Multilateral, Global and Legal Affairs Oh Joon reportedly emphasized it and secured Goldberg's consent.

The reason why the ROKG leaves room for the resumption of tours to Mt. Kumgang seems to be that the ROKG may intend to use it as leverage to persuade the North to abandon its nuclear programs and to make practical progress in inter-Korean relations. A source said, "We are not saying that we will resume the projects but will just open the door and use it." Therefore, the ROKG is expected to leave open the possibility of resuming the two projects and adjust the pace of the resumption depending on North Korea's willingness toward denuclearization and improvement in inter-Korean relations.

"Mt. Kumgang Tourism and Kaesong Industrial Complex Are Outside of the UN Sanctions"
(Hankyoreh Shinmun, August 25, 2009, page 6: EXCERPTS)

By Reporter Lee Yong-in

Philip Goldberg, U.S. Coordinator for the Implementation of UN Security Council Resolution 1874, said that UN sanctions against North Korea, including financial sanctions against North Korean companies or individuals involved in nuclear development, will remain in place. He added, "Our goal is to return to the process of denuclearization, to talks aimed at the goals that are laid in the UN resolution." When questioned about the possibility of U.S.-North Korea bilateral talks, Goldberg said, "We are not saying that there won't be bilateral contact but that it should be within the (Six-Party Talks) framework." Previously, during a meeting with Chief ROK Delegate to the Six-Party Talks Wi Sung-lac, Goldberg said that the ultimate goal of the U.S. is to achieve irreversible denuclearization of North Korea.

TOKOLA